

## Manufactured Home Tax

### Taxpayer

The manufactured home tax applies to all owners of manufactured or mobile homes that are situated in Ohio and are not otherwise exempt. Homes acquire situs when they are located in Ohio through their placement on real property here, except when part of the inventory of a dealer in manufactured or mobile homes.

### Tax Base

If a manufactured home was first situated in Ohio or had ownership transferred on or after Jan. 1, 2000, it is assessed like (but not as) real property – meaning, at 35 percent of true value. This also applies to homes located in Ohio before Jan. 1, 2000, if the owner makes an election to have the home taxed like real property.

For manufactured or mobile homes situated in Ohio prior to Jan. 1, 2000, the assessed value is 40 percent of the amount derived by multiplying the greater of either the home's cost or market value at the time of purchase by a depreciation percentage (from one of two alternative schedules).

### Rates

Tax rates vary according to the property tax levies in effect where the manufactured home is located. The effective rate also varies according to how the property is assessed for tax purposes:

- For homes assessed at 35 percent of true value (like real property), the manufactured home tax is based on the same credits and effective tax rates that apply to real property.
- For homes assessed at 40 percent of depreciated cost or market value, the tax is based on the full (or gross) local tax rate. A minimum tax of \$36 per year applies to homes assessed with the depreciation schedules, unless the home owner qualifies for the homestead exemption, in which case no minimum exists.

### Major Exemptions

A manufactured or mobile home is not subject to this tax when:

- it is part of the inventory of a new motor vehicle dealer or the inventory of a manufacturer, remanufacturer, or distributor of manufactured or mobile homes.
- it is a travel trailer (not exceeding 35 feet in length) or a park trailer meeting certain conditions.
- it is licensed in another state, unless it is located in Ohio for more than 30 days in any calendar year.
- it is taxed as real property.
- it is exempt from taxation under Chapter 5709 of the Ohio Revised Code.

### Revenue

(In Millions)

The following table excludes revenue from manufactured homes that have been converted to real property and are now taxed as (not just like) real property.

| Calendar Year | Depreciation Basis | Like Real Property | Total Tax |
|---------------|--------------------|--------------------|-----------|
| 2007          | \$12.3             | \$25.5             | \$37.8    |
| 2008          | 10.3               | 24.8               | 35.1      |
| 2009          | 9.4                | 24.3               | 33.7      |
| 2010          | 8.2                | 24.5               | 32.7      |
| 2011          | 7.7                | 23.4               | 31.1      |
| 2012          | 7.7                | 23.0               | 30.7      |

### Disposition of Revenue

Revenue is distributed to the taxing subdivisions of each county in the same manner as other real estate and public utility taxes are distributed. However, 4 percent goes to the county auditor and 2 percent goes to the county treasurer as reimbursement for administrative costs.

### Payment Dates

If the manufactured or mobile home is located in the state on Jan. 1, one-half of the tax

is due by March 1, and the balance is due by July 31. If the home is not located in Ohio on Jan. 1, then no tax is due for that year.

The Tax Commissioner may grant extensions of these due dates upon application by a county treasurer alone or by a county auditor and county treasurer together.

### Special Provisions/Credits

The homestead exemption for qualified senior citizens and disabled home owners is also available to owners of manufactured homes. See the **Property Tax – Real** chapter for details on the homestead exemption.

### Sections of Ohio Revised Code

Sections 4501.01 and 4503.06 – 4503.0611.

### Responsibility for Administration

County auditor, county treasurer and Tax Commissioner.

### History of Major Changes

**1920** The 83rd General Assembly enacts separate license taxes for motorcycles, passenger cars, and commercial vehicles. Trailers are taxed as commercial vehicles, at 20 cents per 100 lbs of gross weight or fractional part thereof.

**1949** General Assembly distinguishes “house trailers” from other trailers and levies an \$18 annual license tax on them effective March 1, 1951. Revenue is distributed to local political subdivisions.

**1961** House trailer tax enacted as an *ad valorem* tax. Starting in 1962, house trailers will be valued at 40 percent of its cost or market value at the time of purchase, whichever is greater, less a depreciation percentage. A minimum tax of \$18 applies.

**1963** Legislature enacts a second depreciation schedule for house trailers that are purchased unfurnished.

**1969** Depreciation schedule allowances increase.

**1980** Legislature requires that the taxes owed are collected before a certificate of title is transferred.

**1984** “House trailers” are renamed “manufactured homes” in the Revised Code.

**1986** Legislature extends homestead exemption to certain owners of manufactured homes, effective tax year 1988.

**1999** General Assembly requires that manufactured homes be taxed like (but not as) real property when first located in Ohio on or after Jan. 1, 2000 or when ownership is transferred on or after that date. Such homes remain on the manufactured home tax list, but the same tax rates and credits apply as apply to residential real property. Manufactured or mobile homes situated in Ohio prior to Jan. 1, 2000 remain subject to depreciation method of taxation, unless the owner elects to have the home taxed like real property. The legislature also:

- subjects used manufactured and mobile homes to transfer fees and taxes beginning Jan. 1, 2000.
- requires owners who wish to move a manufactured or mobile home to first obtain a relocation notice from the county auditor and pay the outstanding taxes charged against the home.

**2003** Manufactured home park operators are permitted to remove an abandoned home from the park for sale or destruction.

**2004** The Ohio Manufactured Homes Commission is established to regulate the installation of manufactured housing in Ohio. The commission is charged with setting a statewide standard for a permanent foundation, to which a manufactured or mobile home must be affixed before it can be converted to real property.

**2007** House Bill 119 extends the expansion of the homestead exemption (see **Property Tax – Real Property** chapter) to qualified manufactured home owners, regardless of how the manufactured home is taxed.

### Comparisons with Other States

(As of July, 2013)

#### California

**Base:** Assessed and taxed as real property if on permanent foundations. Mobile homes not on permanent foundations are taxed as personal property.

**Rate:** Total of local tax levies.

All other manufactured or mobile homes are subject to a motor vehicle license fee.

**Florida**

*Base:* Assessed and taxed as real property if permanently affixed to property and the owner of the mobile home is also the owner or part-owner of the land. Mobile homes not assessed as real property are generally subject only to a license tax.

*Rate:* The total tax rate includes all lawful local levies.

**Illinois**

*Base:* Assessed and taxed as real property if installed on private property. Mobile homes installed in mobile home parks are subject to a privilege tax in lieu of property tax.

*Rate:* Except for counties with a population of at least 2 million, a privilege tax is charged based on square footage and age of model; it ranges from 7.5 cents to 15 cents per square foot.

**Indiana**

*Base:* Assessed and taxed as real property if attached to permanent foundations. Mobile homes not meeting these requirements are assessed and taxed as personal property.

*Rate:* The total tax rate includes all lawful state and local levies.

**Kentucky**

*Base:* Assessed and taxed as real property.

*Rate:* The total tax rate includes all lawful state and local levies.

**Massachusetts**

*Base:* Assessed and taxed as real property if attached to real estate and used as a residence. If located in a licensed manufactured home park, exempt from property tax but subject to a monthly license fee.

*Rate:* The total tax rate includes all lawful state and local levies.

**Michigan**

*Base:* Assessed as real property if without a fixed undercarriage or located on land assessable as real property. If located in a mobile home park, it is taxed as a trailer coach at a rate of \$3 per month.

*Rate:* The total tax rate includes all lawful state and local levies; the total rate generally cannot exceed 15 mills (possible under constitution to be 18 mills).

**New Jersey**

*Base:* Assessed as real property with a permanent foundation or when connected to

*utility systems in such a manner as to render the home habitable as a permanent dwelling. A manufactured home installed in a mobile park may be subject to an annual municipal service fee in lieu of property taxes (permanent foundation or nonpermanent but connected to utility systems).*

*Rate:* Total of local tax levies with limitations imposed.

**New York**

*Base:* Assessed as real property unless located within the boundaries of an assessing unit for less than 60 days, unoccupied and for sale, or it is a recreational vehicle. The value of the mobile home is included in the value of the land upon which it is located unless the land or the mobile home is specifically exempted from the property tax.

*Rate:* Total of local tax levies.

**Ohio**

**Base:** Assessed like (but not as) real property if situated on or after Jan. 1, 2000 or by election of the owner. Otherwise, assessed at 40 percent of depreciated cost or market value.

**Rate:** If assessed like real property, the same effective tax rates apply as apply to real property. Otherwise, the full (gross) local tax rate applies.

**Pennsylvania**

*Base:* Assessed as real property if permanently attached to land or connected to utility systems.

*Rate:* Total of local tax levies.

**Texas**

*Base:* Assessed as real property if the owner of the home and land is the same. If the owner of the home and land are different (property leased/rented), the home is taxed as personal property.

*Rate:* Total of local tax levies.

**West Virginia**

*Base:* Assessed as residential real property if affixed to land, the owner of the home and the land is the same, and the owner also occupies the home. All mobile homes not situated on land owned by the owner of the mobile home are taxed as personal property.

*Rate:* Total rate charged is the aggregate rate of all state and local district levies.